



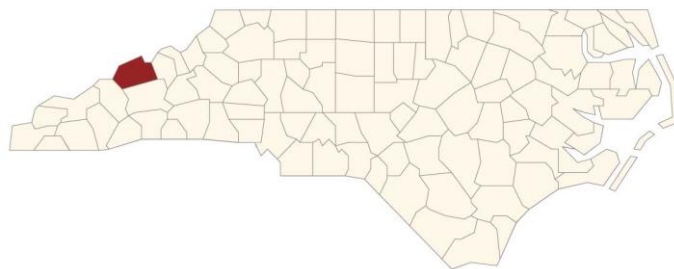
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Madison County

Madison County received more than \$26.5 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Madison County total.



Pell Grant Awards:
621



Small Business Jobs:
2

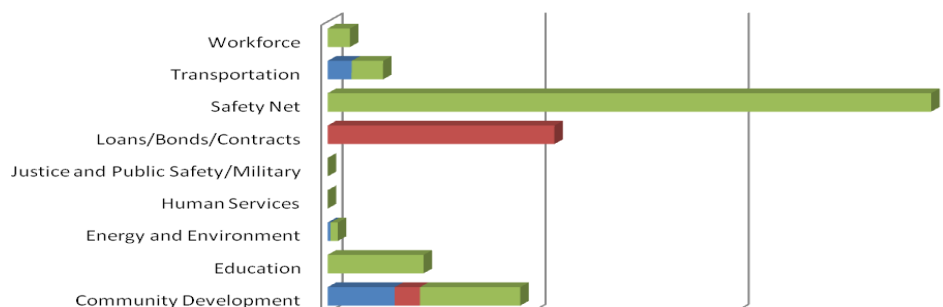


Appliances rebated:
25



Family homes financed:
10

Madison County Totals



■ Sum of Prime Awards
 ■ Sum of Sub-Awards
 ■ Sum of Loans/Bonds

Madison County,

Pop 20,764 at a glance:

Recovery Act Totals:

Grants: \$ 20,334,187.71

Loans: \$ 2,365,527

Bonds: \$ 3,840,489

Total: \$26,540,203.71



The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Madison County schools received \$8 million in education funding, including \$500,000 in Special Education funds, \$500,000 million in Title I funds, \$1.5 million in SFSF funds, \$300,000 in Race to the Top funding and a \$3.8 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Madison County, Mars Hill College had 621 students funded by Pell Grants; these grants were worth more than \$1.2 million.



The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Madison County, 10 families received assistance through this program totaling more than \$1.5 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the

program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Madison County retailers sold 25 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Madison County a small business received an SBA loan guarantees worth \$7,500. According to the small business receiving this loans, the Recovery Act saved or created 2 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Madison County, \$7,068 was received in assistance to farmers because of crop loss to natural disasters.



Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

In Madison County, the Town of Madison received a JAG program grant for \$4,000.



Broadband Programs

The Recovery Act funded two dedicated high-speed broadband programs, the USDA's Broadband Initiatives Program (BIP), and the US Department of Commerce's Broadband Technology Opportunities Program (BTOP). The BIP focused on the creation of new service or the expansion of existing services in rural areas, while the BTOP focused on statewide or regional development of important broadband infrastructure.

In Madison County, French Broad Electric Co-op received a BIP grant for \$1.7million to provide internet over power lines for its customers.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In Madison County, more than \$200,000 of green energy funding was received for various projects that included including lighting improvements, heating and air conditioning upgrades, water heating improvements and building insulation renovations for Madison County Government, Mars Hill and Marshall buildings. Mars Hill College received a grant for a solar power array and a solar hot water system.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Madison County residents received \$10 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$4 million in SNAP benefit increases, and \$1 million in one-time payments of \$250 to social security recipients.

Madison County Feature Story

French Broad uses Recovery Act to provide expanded Broadband Services.

One of the important goals of the American Recovery and Reinvestment Act was to promote the construction of important infrastructure and technological foundation for a 21st Century Economy. This meant increased spending for research, alternative energy, education, and the implementation and expansion of broadband services.

The Act established the two major broadband implementation and expansion programs: the Rural Utilities Service (RUS) Broadband Initiatives Program (BIP) and the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP). North Carolina has received notice of more than \$280 million in BIP and BTOP projects. 81 North Carolina counties will receive funding or be traversed by a BIP or BTOP program. These programs include projects that support primary and higher education, public safety, economic development, serve vulnerable populations and to provide direct broadband services to consumers.



The BIP was an existing program implemented by the Rural Utility Service in the federal Department of Agriculture. BIP focused on providing money to existing rural providers to expand and improve broadband services. One of the nine BIP recipients in North Carolina was the French Broad Electric Membership Corp.



French Broad Electric Membership Corp. Broadband Initiatives Program's award was structured as a \$621,492 loan, \$1,154,200 grant, and \$216,615 in private investment. This project provides broadband internet to unserved areas in the heart of the rugged mountains of western North Carolina. The proposed funded service area consists of Spring Creek, Laurel, Beech Glenn and areas of Marshall and Mars Hill, North Carolina. Much of the Madison County's terrain is heavily forested and sparsely populated. The French Broad Program provides the delivery of broadband through the use of fiber optics cable installed on existing power lines to provide service to the subscriber. This technology combination utilizes existing infrastructure, and minimizes project cost.

French Broad Membership Corp., in partnership with local governments and the Education and Research Consortium of the Western North Carolinas, Inc. (ERC) Broadband, already provides broadband Internet service to school systems, businesses and other large organizations located within portions of French Broad EMC's Western North Carolina service area and near the fiber optic backbone. Initially, the broadband Internet service was only provided for government, organizations, and businesses requiring a minimum bandwidth. These early customers include Mars-Hill College, Madison High School, Madison County Public Library, and Madison County government administrative building. French Broad recently expanded the fiber optic backbone to reach Laurel Medical Center and Laurel Elementary School.

Currently, French Broad EMC is able to offer residential broadband service to only 30 of its 37,000 members. The proposed project would enable French Broad EMC to provide broadband Internet service to 611 more homes. Critical community organizations in the proposed funded service area include Laurel Elementary School, Laurel Medical Center, Spring Creek Volunteer Fire Department, Spring Creek Community Center, Laurel Volunteer Fire Department, and Revere-Rice Cove Community Center.

The number of jobs estimated to be created or saved as result of this project and the economic development potential in Madison County, NC is significant. On-going development and growth in the tourism sector, such as Spring Creek Preserve and Wolf Laurel Resort, are examples of the changing economy in rural western North Carolina.

Appendix, Madison County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$3,840,489.00	
	Federal Pell Grant Program	Mars Hill College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$1,694,035.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$3,893,411.68		
Department of Education	Federal Work-Study Program	Mars Hill College	P	\$34,538.00		\$0.00	\$0.00
				\$34,538.00		\$0.00	\$34,538.00
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	Madison, County Of	S	\$0.00	\$144,718.00	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Madison County Department Of Community Services	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Madison County Department Of Community Services	SV	\$0.00	\$0.00	\$0.00	
Department of Housing and Urban Development	Public Housing Capital Fund Competitive (Recovery Act Funded)	Madison County Housing	P	\$120,000.00		\$0.00	\$120,000.00
	Public Housing Capital Fund Formula (Recovery Act Funded)	Hot Springs Housing Authority	P	\$114,850.00		\$0.00	\$114,850.00
		Madison County Housing	P	\$78,236.00		\$0.00	\$78,236.00
		Mars Hill Housing Authority	P	\$87,391.00		\$0.00	\$87,391.00
		Marshall Housing Authority	P	\$94,882.00		\$0.00	\$94,882.00
Department of Justice	Recovery Act - Eward Byrne Memorial Justice	Madison, Town Of	S	\$0.00	\$3,992.64	\$0.00	

	Assistance Grant (JAG) Program/ Grants to States and Territories						
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$9,714,929.39		
Federal Highway Administration	Highway Planning and Construction	North Carolina Department Of Transportation	P	\$590,000.00		\$0.00	\$590,000.00
		Taylor & Murphy	PV	\$0.00		\$0.00	\$58,208.70
		Vaughn & Melton Consulting Engineers	PV	\$0.00		\$0.00	\$25,196.76
Federal Transit Administration	Formula Grants for Other Than Urbanized Areas	Madison, County Of	S	\$0.00	\$102,525.00	\$0.00	
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P		\$2,975.00	\$0.00	
Office of Elementary and Secondary Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Madison County Board Of Education	S	\$0.00	\$1,621,925.00	\$0.00	
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Madison County Board Of Education	S	\$0.00	\$317,072.00	\$0.00	
	Title I Grants to Local Educational Agencies, Recovery Act	Madison County Board Of Education	S	\$0.00	\$425,095.00	\$0.00	
Office of Special Education and Rehabilitative Services	Special Education Grants to States, Recovery Act	Madison County Board Of Education	S	\$0.00	\$548,909.00	\$0.00	
Rural Utilities Service	Broadband Initiatives Program	French Broad Electric Membership Corp	P	\$0.00		\$621,492.00	\$621,492.00
				\$1,154,200.00		\$0.00	\$1,154,200.00
Small Business Administration	Loans	Beach Glass Design	L			\$50,000.00	
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$1,250,000.00		
Grand Total				\$2,308,635.00	\$18,025,552.71	\$6,206,016.00	\$2,978,994.46

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.